

FISCAL NOTE

SB 1477 - HB 1568

April 2, 2007

SUMMARY OF BILL: Revises the procedures for the reconsideration of workers' compensation specialist orders.

ESTIMATED FISCAL IMPACT:

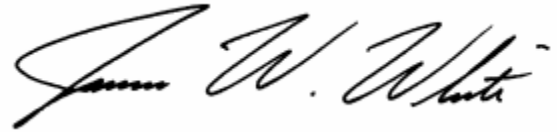
Increase State Expenditures - \$319,000 Recurring
\$10,000 One-Time
\$73,000 Second Injury Fund/Recurring

Assumptions:

- Currently, an administrator may review the orders and remand them back to the specialist for further action or consideration. Under the provisions of this bill, the orders may not be remanded and any change in the issuance of orders must take place at the administrative level. Also, no new information may be presented for the review at the administrative level. If new information is to be presented, a new request will have to be filed.
- The Department of Labor and Workforce Development will need five new positions to handle the increased workload.
- A recurring increase in state expenditures for the salary, benefits and operational expenses for five positions and a one-time increase in state expenditures for office furnishings and computer equipment.
- Under current law, if a court rules that the state has improperly ordered an insurance company or employer to pay benefits, the state must, through the Second Injury Fund, reimburse any payments that have been made by the insurance company or employer. If orders cannot be remanded to the specialist level for further consideration and are instead required to be issued at the administrative level without the benefit of additional information, it increases the likelihood that the state will improperly order benefits to be paid. This will result in an increase in reimbursement payments made from the Second Injury Fund. Based on past history it is estimated that reimbursement payments made from the Second Injury Fund will increase approximately \$73,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director